



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/713,619	11/15/2000	Rebecca S. Busch	MBA-P-00-001	3814

23446 7590 01/05/2006

MCANDREWS HELD & MALLOY, LTD
500 WEST MADISON STREET
SUITE 3400
CHICAGO, IL 60661

EXAMINER

BLECK, CAROLYN M

ART UNIT PAPER NUMBER

3626

DATE MAILED: 01/05/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/713,619

Applicant(s)

BUSCH, REBECCA S.

Examiner

Carolyn M. Bleck

Art Unit

3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 October 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 4-12 and 17-34 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Notice to Applicant

1. This communication is in response to the amendment filed 28 October 2005.

Claims 1-34 are pending. Claims 1-3 and 13-16 have been cancelled. Claims 4-12 and 17-34 have been rejected. Claims 4, 9, 11, 12, 26, and 31 have been amended.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 11-12, 26-30, and 31-34 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

To satisfy the requirements of 35 U.S.C. 101, a claimed invention must be a practical application of an abstract idea, law of nature, or natural phenomenon.

Whether a claimed invention is a practical application can be identified in one of two ways. First, the claimed invention “transforms” an article or physical object to a different state or thing. Second, the claimed invention otherwise produces a useful, concrete and tangible result. *State Street Bank & Trust Co. vs. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998). See also The USPTO Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility,

http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/guidelines101_20051026.pdf, pages 18-23.

In this case, claims 11 and 12 fail to provide a transformation or reduction of an article to a different state or thing. Claim 11 recites a facility of the business wherein a function of the business occurs, the function being assigned a specification code by personnel associated with the auditing business, an auditing chart created with the specification code, a database wherein information associated with an error from the audit of the business in the facility is stored and wherein the error is mined, and a pilot area of the facility of the business to test the auditing chart. The system of claim 11 fails to transform an article to a different state or thing. There does not appear to be any transformation of data performed by the system. Similar analysis can be applied to independent claim 12.

In this case, claims 11 and 12 fail to provide a practical application that produces a final result that is useful or tangible. The court in *State Street* noted that the claimed invention in *In re Alapat* constituted a practical application of an abstract idea (a mathematical algorithm, formula, or calculation), because it produced 'a useful, concrete, and tangible result' – the smooth waveform." See page. 38 of the Interim Guidelines. Here, the system of claim 11 does not provide any form of final result. The components of the system do not appear to be interrelated elements which combine to form a system that provides a final result. Thus, the Examiner respectfully submits that the result is not useful because it is not specific or substantial and the result is not tangible because the system does not provide a real-world result.

Because claims 11 and 12 fail to provide a tangible or useful result, these claims are considered to be directed to non-statutory subject matter.

(B) Similar analysis can be applied to dependent claims 26-30 and 31-34. Therefore those claims are rejected for the same reasons as claims 11 and 12.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 9-10 and 22-25 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 9 has been amended to recite "including different fields." The Examiner respectfully submits that it is unclear whether these fields are different fields of a database or different fields of a business or process. Claim 9 also recites "using errors from said data mining step to create flowcharts for the fields of the process."

The Examiner respectfully submits that it is unclear how errors are used to create flowcharts. For example, on page 3 of Applicant's specification, Applicant discloses one type of error as a financial error. It is unclear how a financial error leads to the creation of a flowchart. How is this data used to create a flowchart?

Claim 9 recites "creating a case management tool for auditing errors in the process from the flowchart." At page 24 of Applicant's specification, it appears this case management tool is used for decision making. Because Applicant fails to provide a specific definition and failed to clarify how this case management tool is created within

claim 9 in the response on page 11, the Examiner is interpreting the case management tool to be a form of flowchart. If the Applicant has a specific means or process for developing the case management tool from the flowcharts, the Examiner suggests Applicant amend the claims to include this feature. Otherwise, it does not appear that there is a distinction between the flowcharts and the case management tool, and the claim will be interpreted as such.

Claim 9 recites "mitigating the errors in the process by using the case management tool to manage and direct resources for the process to avoid or limit new errors in the process." It remains unclear how the case management tool is able to manage and direct resources. For example, does the case management tool analyze the errors from the data mining and then determine where resources would best be utilized to reduce the number of errors? The Examiner suggests Applicant include how the case management tool performs its analysis in order to manage and direct resources.

Claims 10 and 22-25 inherit the deficiencies of claim 9, and are therefore rejected for the same reason as claim 9.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the

Art Unit: 3626

applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claims 4, 11, 18, 26-27, and 29 are rejected under 35 U.S.C. 102(e) as being anticipated by Acosta et al. (6,643,625).

(A) As per claim 4, Acosta discloses a method for auditing comprising:

(a) conducting an audit of a business, such as a bank, where loans originate, wherein the type of loan has an audit type, wherein the audit type is assigned by the auditor, wherein the audit is used to identify errors and exceptions (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30, col. 6 lines 1-20);

(b) entering auditor's answers collected during the audit into a database (col. 6 line 20 to col. 7 line 47, col. 10 lines 45-53);

(c) analyzing the answers to determine an exception rate based on the errors (col. 6 lines 1-20, col. 9 lines 1-36, col. 10 lines 13-53);

(d) using the errors from the analysis to show the root cause of exceptions in order to determine changed that are needed in a particular area (Fig. 4-6, col. 9 lines 1-35);

(e) establishing an audit type for each type of loan within the business (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30);

(f) using the audit type to create an auditor checklist (col. 5 lines 6-30, col. 6 line 20 to col. 8 lines 68, see Tables 2-3);

(g) choosing a subset of loans (reads on "pilot area") of the bank for using the auditor checklist, wherein the checklist is able to be edited should the need arise, wherein errors occur in the particular area (col. 5 lines 30-64, col. 10 lines 13-53);

(h) auditing the subset of loans with the auditing checklist, wherein the audit may be done at a particular office (Fig. 4-6, col. 6 line 20 to col. 8 lines 68, col. 10 lines 13-53);

(i) entering auditor's answers collected during the audit into a database (col. 6 line 20 to col. 7 line 47, col. 10 lines 45-53);

(j) editing the auditing of the business on-site based on the information collected on the subset of loans (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 30-58);

(k) editing the auditing types and the auditing checklist (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 30-58); and

(l) auditing the subset of loans with the editing auditing types and auditing checklist (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 30-58).

(B) As per claim 11, Acosta discloses a system for auditing comprising:

(a) a business, such as a bank, where loans originate, wherein the type of loan has an audit type (reads on "specification code"), wherein the audit type is assigned by the auditor (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30);

(b) an auditor checklist created based on the type of audit (col. 5 lines 6-30, col. 6 line 20 to col. 8 lines 68, see Tables 2-3);

Art Unit: 3626

(c) a database for storing auditor's answers to checklist questions, including any exceptions, which are calculated based on the number of errors recorded, wherein the errors and exception rates are analyzed to make recommendations for cures for each type of exception (col. 6 lines 1-20, col. 8 lines 50-67, col. 9 lines 5-32, col. 10 lines 45-53); and

(d) a subset of loans (reads on "pilot area") of the bank for using the auditor checklist, wherein the checklist is able to be edited should the need arise (col. 5 lines 30-64, col. 10 lines 13-53).

(C) As per claim 18, Acosta discloses choosing an auditor or manager to perform the audit at the location of the loan (col. 5 lines 7-50).

(D) As per claim 26, Acosta discloses varying the auditing types over time (col. 5 lines 30-64, col. 10 lines 13-53).

(E) As per claim 27, Acosta discloses updating the auditor checklist (col. 5 lines 30-64, col. 10 lines 13-53).

(F) As per claim 29, Acosta discloses the personnel being a manager or auditor (col. 3 lines 1-10, col. 5 lines 8-30).

Claim Rejections - 35 USC § 103

Art Unit: 3626

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 5 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al. (6,643,625) as applied to claim 4.

(A) As per claim 5, Acosta discloses auditing periodically and entering information periodically (col. 5 lines 6-10, col. 10 lines 13-53). It is respectfully submitted that periodically auditing a business would include auditing said business on a day-to-day business and this would include entering information daily in order to perform the audit. The motivation being to ensure the business is meeting regulations (Acosta; col. 1 lines 36-60).

(B) As per claim 8, Acosta does not expressly disclose performing the steps in a second area. This appears to be a recitation of recitation of the same steps only in a second area. The courts have broadly held that the duplication of parts is obvious. *In re Harza*, 274 F.2d 669, 124 USPQ 378 (CCPA 1960). As such, these changes do not present a patentable distinction over the applied prior art of record.

Art Unit: 3626

10. Claims 7, 17, 19, and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al. (6,643,625) as applied to claim 4, and further in view of Dart et al. (6,529,876).

(A) As per claim 7, Acosta discloses auditing financial records (Abstract). Acosta does not disclose auditing medical records and clinical records, nor auditing activities that are not documented. Dart discloses auditing medical and clinical records (Abstract; col. 2 lines 5-60). At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Dart within the method of Acosta with the motivation of ensuring the health care providers meet requirements for submitting health care claims (col. 1 lines 18-35). Acosta and Dart do not expressly disclose auditing activities that are not documented. The Examiner respectfully submits that it is well known in the healthcare industry to audit activities that are not necessarily written down. The motivation being to ensure the safety of patients.

(B) As per claims 17 and 20, Acosta discloses storing a computer record for each transaction at the origination of the loan (col. 3 lines 36-50, col. 5 lines 7-30, col. 10 lines 13-53). Acosta does not disclose conducting an audit on the transaction as the record is created. Dart discloses auditing the medical record as it is created during a patient encounter (col. 2 line 5 to col. 3 line 48, col. 19 line 34 to col. 20 line 22). At the time the invention was made, it would have been obvious to one of ordinary skill in the

Art Unit: 3626

art to include the features of Dart within the method of Acosta with the motivation of detecting potential errors before they are submitted for billing (Dart; col. 1 lines 35-55).

(C) As per claim 19, Acosta fails to expressly disclose conducting transactions related to all services provided to a patient in a healthcare facility. Dart discloses auditing transactions related to all services received by the patient during an encounter with a healthcare provider (col. 4 lines 36-63). At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Dart within the method of Acosta with the motivation of detecting potential errors before they are submitted for billing (Dart; col. 1 lines 35-55).

11. Claims 9-10, 12, 22-25, and 31-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al. (6,643,625) in view of Dart et al. (6,529,876).

(A) As per claim 9, Acosta discloses a method for auditing comprising:

(a) conducting an audit of a business, such as a bank, where loans originate, wherein the type of loan has an audit type, wherein the audit type is assigned by the auditor, wherein the audit is used to identify errors and exceptions (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30, col. 6 lines 1-20);

(b) collecting answers to questions which are used to determine errors during the audit (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30, col. 6 lines 1-20, col. 10 lines 13-53);

(c) storing the errors and exceptions in a database (col. 9 lines 1-36, col. 10 lines 13-53);

(d) analyzing the exceptions and errors (col. 6 lines 1-20, col. 9 lines 1-36, col. 10 lines 13-53);

(e) using the errors from the analysis to generate charts, wherein the charts are created by the system for showing the root cause of exceptions in order to determine changed that are needed (Fig. 4-6, col. 9 lines 1-35). It is noted that the charts and reports are considered to be forms of "flowcharts" and a "case management tool."

Acosta fails to expressly disclose the audit being continuous. Dart discloses the audit being performed in real time as data is inputted into the system (col. 9 lines 33-58). At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Dart within the method of Acosta with the motivation of detecting potential errors before they are submitted for billing (Dart; col. 1 lines 35-55).

(B) As per claim 10, Acosta discloses the errors being financial errors or specific office errors (Fig. 6, col. 6 line 1 to col. 9 line 24).

(C) As per claim 12, Acosta discloses a system for auditing comprising:

(a) a business, such as a bank, where loans originate, wherein the type of loan has an audit type, wherein the audit type is assigned by the auditor, wherein the audit is

Art Unit: 3626

used to identify errors and exceptions (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30, col. 6 lines 1-20);

(b) a database for storing auditor's answers to checklist questions, including any exceptions, which are calculated based on the number of errors recorded, wherein the errors and exception rates are analyzed to make recommendations for cures for each type of exception (col. 6 lines 1-20, col. 8 lines 50-67, col. 9 lines 5-32, col. 10 lines 45-53);

(c) an auditor checklist created based on the type of audit (col. 5 lines 6-30, col. 6 line 20 to col. 8 lines 68, see Tables 2-3); and

(d) analysis reports created by the system for showing the root cause of exceptions in order to determine changes that are needed (Fig. 4-6, col. 9 lines 1-35).

Acosta fails to expressly disclose the audit being continuous. Dart discloses the audit being performed in real time as data is inputted into the system (col. 9 lines 33-58). At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Dart within the system of Acosta with the motivation of detecting potential errors before they are submitted for billing (Dart; col. 1 lines 35-55).

(C) As per claim 22, Acosta discloses establishing audit types (reads on "specification code") for a particular type of loan, wherein the audit type is dependent on loan origination, loan servicing, and geographic area (col. 3 line 62 to col. 4 line 60).

Art Unit: 3626

(D) As per claim 23, Acosta discloses varying the auditing types over time (col. 5 lines 30-64, col. 10 lines 13-53).

(E) As per claims 24-25, Dart discloses using CPT coding for reimbursement for healthcare delivered, wherein healthcare providers are seeking reimbursement, wherein the healthcare services delivered can be in hospitals and office visits (col. 2 lines 5-60, col. 4 lines 64-67).

(F) As per claim 31, Acosta discloses a business, such as a bank, where loans originate, wherein the type of loan has an audit type (reads on "specification code"), wherein the audit type is assigned by the auditor (col. 3 line 37 to col. 4 line 67, Table I, col. 5 lines 7-30).

(G) As per claim 32, Dart discloses the audit being done in a health care facility (Abstract, col. 2 lines 45-60). The motivation for combining Dart within Acosta is given above in claim 12, and incorporated herein.

(H) As per claims 33-34, Dart discloses using CPT coding for reimbursement for healthcare delivered, wherein healthcare providers are seeking reimbursement, wherein the healthcare services delivered can be in hospitals and office visits (col. 2 lines 5-60, col. 4 lines 64-67).

Art Unit: 3626

12. Claims 21, 28, and 30 rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al. (6,643,625) as applied to claims 4, 11, and 12, and further in view of Forman (6,826,536).

(A) As per claims 21, 28 and 30, Acosta fails to expressly disclose the business being a healthcare facility and the information stored in the database including records related to the patient's medical condition and records that are not related to the patient's medical condition. Forman discloses a method for detecting healthcare provider fraud, wherein records are reviewed pertaining to healthcare provider information and patient information (Fig. 3-5, col. 6 lines 54-67, col. 13 lines 29-68). At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Forman within the system of Acosta with the motivation of detecting fraudulent billing (Forman; col. 2 lines 11-33).

Response to Arguments

13. Applicant's arguments with respect to claims 4-12 and 17-34 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

14. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. The cited but not applied prior art teaches a method and apparatus for detecting fraud (6,253,186), method and apparatus for objectively

monitoring and assessing the performance of health-care providers (5,845,254), system and method for certifying and accrediting requirements compliance (6,901,346), and accounting system management by hospitals operating in a changing regulatory environment (Eldenburg, Leslie).

15. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

16. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Carolyn Bleck whose telephone number is (571) 272-6767. The Examiner can normally be reached on Monday-Thursday, 8:00am – 5:30pm, and from 8:30am – 5:00pm on alternate Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached at (571) 272-6776.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

17. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
Washington, D.C. 20231

Or faxed to:

(571) 273-8300	[Official communications]
(571) 273-8300	[After Final communications labeled "Box AF"]
(571) 273-6767	[Informal/ Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand-delivered responses should be brought to the Knox Building, Alexandria, VA.

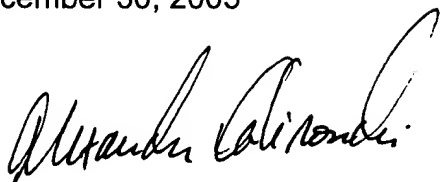
Application/Control Number: 09/713,619
Art Unit: 3626

Page 18

CB

CB

December 30, 2005

A handwritten signature in black ink, appearing to read "Alexander Kalinowski". The signature is fluid and cursive, with a large, stylized initial 'A'.

ALEXANDER KALINOWSKI
SUPERVISORY PATENT EXAMINER